

Draft FEMM Declaration on the Establishment of the PRF

The Governments of Australia, the Cook Islands, the Federated States of Micronesia, Fiji, French Polynesia, Kiribati, Nauru, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, the Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu being members of the Pacific Islands Forum;

RECOGNIZING need for a facility that is Pacific owned, led, and designed to provide *vital investments required to fundamentally reduce the vulnerability and exposure of Pacific communities to disaster risks, from climate change and other hazards*;¹

RECALLING THAT In 2019, Pacific Islands Forum Leaders endorsed the establishment of the PRF as an international organisation and, in the interim, for transitional arrangements for the PRF to be housed and executed “as a programme of the Pacific Islands Forum Secretariat (PIFS)”, pending agreement, establishment of an international organization;

RECALLING THAT the Pacific Islands Forum Secretariat (PIFS) has been mandated by the Finance and Economic Ministers Meeting (FEMM) in August 2022 to review and reframe the PRF in light of post-covid considerations and Member needs;

AWARE THAT the review was overseen by the Technical Working Group (TWG) for the PRF consisting of Finance Officials from member countries and that the TWG endorsed the PRF redesign conclusions regarding an expanded PRF purpose, design and positioning in the Pacific region, together with set-up options, governance requirements, timelines for an international organization that is fit-for-purpose to facilitate public-private investment and collaboration for the benefit of the region;

AWARE THAT the TWG endorsed PRF financing feasibility and funding scenarios to address PRF reframing outcomes for an expanded definition of resilience, due to the complex post-covid economic and social recovery environment, which has exacerbated the climate and disaster risk resilience, to include resilience financing in addition to community disaster preparedness financing needs;

AWARE THAT building resilient and sustainable societies in Forum Island Countries requires addressing both climate change and disaster risks, and integrating these risks, into national development planning and budgeting;

RECALLING THAT Article 9 of the Paris Agreement requires cooperative response with the mobilisation of finance to support country-driven strategies, and the priorities and needs of developing countries, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing states;

FURTHER RECALLING THAT Priority 3 of the Sendai Framework for Disaster Risk Reduction recognises the importance of public and private investment in disaster risk prevention and reduction through structural and non-structural measures to enhance the economic, social, health and cultural resilience of persons, communities, countries and their assets, as well as the environment;

¹ See: PROSPECTUS PACIFIC RESILIENCE FACILITY: Building Community Resilience in Extraordinary Times
<<https://www.forumsec.org/wp-content/uploads/2021/05/PRFFinalMay2021.pdf>>

FURTHER RECALLING THAT the importance of the Framework for Resilient Development in the Pacific, endorsed by Pacific Island Leaders in 2016 as an integrated approach to address climate change and disaster risk management, and its supporting Pacific Resilience Partnership, which seek to strengthen a coordinated enabling environment for resilient investments in FICs;

DETERMINED to work in partnership with each other and with public and private partners and stakeholders to achieve these four strategic objectives through the Pacific Resilience Facility:

- (i) Strengthen the collective financial resilience of Parties against natural and socio-natural hazard risks in the Pacific region;
- (ii) Provide cost-efficient and contextualised financing options for resilient development projects in the Pacific, including through national governments, private sector, and civil society and community organisations;
- (iii) Strengthen strategic partnerships with key development partners, donors and global climate change and disaster risk funding sources to harness collective support for resilient development initiatives in the Pacific; and
- (iv) Support capacity building and development in resilient development planning and budgeting, through strengthened public financial management systems in the Pacific region.

DETERMINED to create a Pacific Resilience Facility as a financing institution and vehicle for funding climate change, resilience financing and disaster risk initiatives in the Pacific region designed on the principles of regional ownership, affordable and contextualised financing, simplified access procedures, additionality and complementarity;

WISHING to establish the PRF pursuant to a Legislative Act establishing its international personality in a PIF Member State, providing such legal rights, capacities, privileges and immunities necessary to enable the PRF's public-private development finance objectives in the headquarters location and through PRF regional offices which may be established in future, to better facilitate PRF programs across the Pacific;

HEREBY DECLARE that the PRF should be established in a PIF Member State consistent with the Draft Agreement to Establish the PRF presented to FEMM on date XX 2023.

FURTHER DECLARE that the PRF be established as soon as reasonably feasible, to form a new international financing institution and vehicle for funding climate change, resilience financing and disaster risk initiatives in the Pacific region designed on the principles of regional ownership, affordable and contextualised financing, simplified access procedures, additionality and complementarity.

REQUEST PIFS to host the PRF and its functions during a transitional period, consistent with the Draft Transitional Arrangements Agreement, presented on to FEMM on date XX 2023.

AFFIRM PIF Member political will and commitment to participate in PRF transitional cooperation and establishment processes to create PRF as a Pacific-designed and governed institution to realize Pacific-regional development objectives to build resilient and sustainable societies in Forum Island Countries.